

**CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT**

**FINANCIAL REPORT  
(Reviewed)**

**DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 09 2013

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT  
Lake Charles, Louisiana  
December 31, 2012

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CREOLE NATURE TRAIL SCENIC  
BYWAY DISTRICT

December 31, 2012

COMMISSIONERS

Monte Hurley - Chairman  
Sammie Faulk - Vice-Chairman  
Shelley Johnson - Secretary/Treasurer  
Jimmy Brown - Board Member  
Michael Dees - Board Member  
Paul Guillory - Board Member  
Steven Jiles - Board Member  
Carolyn Thibodeaux - Board Member  
Ben Welch - Board Member

# McELROY, QUIRK & BURCH

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02122 000 Review 12/31/12 1100 001 financial report

Robert M Gant, CPA, MT  
Mollie C Broussard, CPA  
Jason L Guillory, CPA  
Greg P Naquin, CPA, CFP™  
Billy D. Fisher, CPA  
Joe G Peshoff, II, CPA, CVA  
David M DesOrmeaux, CPA

Michael N McGee, CPA  
Paula J Thompson, CPA  
Robin Anderson Conrad, CPA



Judson J. McCann, Jr., CPA, Retired  
Martin I. Chehotsky, CPA, CFE, CFP™  
Carl W. Comeaux, CPA, Retired

CTE Certified Fraud Examiner  
CFF Certified Financial Forensics  
MT Masters of Taxation  
CVA Certified Valuation Analyst  
CFP Certified Financial Planner

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Creole Nature Trail  
Scenic Byway District  
Lake Charles, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of Creole Nature Trail Scenic Byway District, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Creole Nature Trail Scenic Byway District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Creole Nature Trail Scenic Byway District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on page 20 is presented for the purpose of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*Ms Elroy Quirk & Burch*

Lake Charles, Louisiana

June 27, 2013

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT  
STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS  
December 31, 2012  
See Independent Accountant's Review Report

|                           |                   |
|---------------------------|-------------------|
| <u>ASSETS</u>             |                   |
| CURRENT ASSETS            |                   |
| Cash and cash equivalents | \$ 465,676        |
| Grant receivable          | <u>11,523</u>     |
| Total assets              | 477,199           |
| CURRENT LIABILITIES       |                   |
|                           | -                 |
| NET POSITION              |                   |
| Unrestricted              | <u>477,199</u>    |
| Total net position        | <u>\$ 477,199</u> |

The accompanying notes are an integral part of these statements.

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

Year Ended December 31, 2012

See Independent Accountant's Review Report

|   | Functions/Programs |             |                     | Total               |
|---|--------------------|-------------|---------------------|---------------------|
|   | Operating          | Promotional | Grants              |                     |
| Expenses  |                    |             |                     |                     |
| Action plan   | \$ -               | \$ -        | \$ 5,159            | \$ 5,159            |
| Hurricane recovery                                    | -                  | -           | 2,419               | 2,419               |
| Hurricane center                                      | -                  | -           | 10,956              | 10,956              |
| Seed grant  | -                  | -           | 13,031              | 13,031              |
| Interpretive kiosk                                    | -                  | -           | 53,559              | 53,559              |
| Travel  | 5,763              | -           | -                   | 5,763               |
| Professional fees                                     | 46,808             | -           | -                   | 46,808              |
| Miscellaneous   | -                  | -           | 32,963              | 32,963              |
| Newsletter  | -                  | -           | 1,645               | 1,645               |
| Total expenses  | <u>52,571</u>      | <u>-</u>    | <u>119,732</u>      | <u>172,303</u>      |
| Program revenues                                      |                    |             |                     |                     |
| Southwest Louisiana Convention<br>and Visitors Bureau | 53,732             | -           | 196,276             | 250,008             |
| Intergovernmental                                     | -                  | -           | 62,860              | 62,860              |
| Total program revenues                                | <u>53,732</u>      | <u>-</u>    | <u>259,136</u>      | <u>312,868</u>      |
| Net program expense (income)                          | <u>\$ (1,161)</u>  | <u>\$ -</u> | <u>\$ (139,404)</u> | <u>\$ (140,565)</u> |
| General revenue                                       |                    |             |                     |                     |
| Interest, dividends                                   |                    |             |                     | <u>\$ 662</u>       |
| Change in net position                                |                    |             |                     | \$ 141,227          |
| Net position - beginning                              |                    |             |                     | <u>335,972</u>      |
| Net position - ending                                 |                    |             |                     | <u>\$ 477,199</u>   |

The accompanying notes are an integral part of these statements

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

December 31, 2012

See Independent Accountant's Review Report

ASSETS

|                           |                   |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 465,676        |
| Grant receivable          | <u>11,523</u>     |
|                           | <u>\$ 477,199</u> |

LIABILITIES AND FUND EQUITY

|                                   |                   |
|-----------------------------------|-------------------|
| Liabilities                       | \$ -              |
| Fund equity:                      |                   |
| Fund balance:                     |                   |
| Unassigned                        | <u>477,199</u>    |
| Total liabilities and fund equity | <u>\$ 477,199</u> |

The accompanying notes are an integral part of these statements



CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION -  
GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

Year Ended December 31, 2012

See Independent Accountant's Review Report

Revenues:

|  |                |
|--|----------------|
| Southwest Louisiana Convention and Visitors Bureau | \$ 250,008     |
| Interest, dividends                                | 662            |
| Intergovernmental                                  | <u>62,860</u>  |
| Total revenues                                     | <u>313,530</u> |

Expenditures:

|                    |                |
|--------------------|----------------|
| Action plan        | 5,159          |
| Hurricane recovery | 2,419          |
| Hurricane center   | 10,956         |
| Seed grant         | 13,031         |
| Interpretive kiosk | 53,559         |
| Travel             | 5,763          |
| Professional fees  | 46,808         |
| Miscellaneous      | 32,963         |
| Newsletter         | <u>1,645</u>   |
| Total expenditures | <u>172,303</u> |

|                                      |         |
|--------------------------------------|---------|
| Excess of revenues over expenditures | 141,227 |
|--------------------------------------|---------|

|                          |                |
|--------------------------|----------------|
| Fund balance - beginning | <u>335,972</u> |
|--------------------------|----------------|

|                       |                   |
|-----------------------|-------------------|
| Fund balance - ending | <u>\$ 477,199</u> |
|-----------------------|-------------------|

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

NOTES TO FINANCIAL STATEMENTS

See Independent Accountant's Review Report

1 Summary of Significant Accounting Policies

The financial statements of the Creole Nature Trail Scenic Byway District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

A NATURE OF BUSINESS

The operations of the Creole Nature Trail Scenic Byway District are to stimulate economic development and tourism in the parishes of Calcasieu and Cameron.

B. Reporting Entity

The accompanying financial statements include the various activities that are within the control and authority of the Board of Commissioners of the Creole Nature Trail Scenic Byway District. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The Creole Nature Trail Scenic Byway District was created by Act 539 of the Louisiana Legislature on June 18, 1995, as a body politic and corporate and a political subdivision of the State of Louisiana. The Creole Nature Trail Scenic Byway District is governed by a board of commissioners consisting of nine members as follows:

Two members selected by the Calcasieu Parish Police Jury

Three members selected by the Cameron Parish Police Jury

One member selected by the Southwest Louisiana Convention and Visitors Bureau

One member selected by the Cameron Parish Tourism Commission  
The secretary of the Department of Transportation and Development, ex officio or his designee  
One member selected by the Calcasieu and Cameron Parish legislative delegation

The members of the board of commissioners shall serve four-year terms and shall serve until their successors have been appointed and qualified

Based on the foregoing criteria, the Creole Nature Trail Scenic Byway District has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the Creole Nature Trail Scenic Byway District.

## C BASIS OF PRESENTATION

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government.

The Statement of Net Position and the Statement of Activities report financial information for the District as a whole. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) grants received from state and local governments; and (2) grants from the Southwest Louisiana Convention and Visitors Bureau. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues

### FUND FINANCIAL STATEMENTS

The Creole Nature Trail Scenic Byway District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The financial statements in this report are grouped into one governmental fund type, a special revenue fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

#### D MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for government funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

The District uses the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available" Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred

Major revenue sources susceptible to accrual include: interest, dividends, and intergovernmental revenue.

The District's records are maintained on a modified accrual basis of accounting, utilizing the following practices

#### Revenues ·

Revenues collected in the current period that were measurable and available as net current assets of the prior period are adjusted out of current revenue. Uncollected revenues that are measurable and available as net current assets of the current period are recognized as revenue.

#### Expenditures:

Expenditures are adjusted to record in the current period only those expenditures for which the related fund liability was incurred in the current period.

#### Pervasiveness of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### E. BUDGETS AND BUDGETARY ACCOUNTING

The Treasurer submits to the Board of Directors a proposed budget prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. The original budget was prepared using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). The final amended budget was prepared using the modified accrual basis of accounting. Budgeted amounts are as amended by the Board of Directors.

After a complete review the budget is approved. The Board must approve any revisions that alter total expenditures. Formal budgetary integration is employed as a management control device during the year. All budgetary appropriations lapse at the end of each fiscal year.

During the year ended December 31, 2012, budgeted amounts for revenues were decreased approximately \$3,529 and expenditures were increased approximately \$26,410. The major part of the revenue changes is represented by a decrease in grant income from those amounts originally budgeted. The major part of the expenditure changes is represented by increases in professional fees. Encumbrance accounting is not used.

F. DEPOSITS AND INVESTMENT DEPOSITS

DEPOSITS

Deposits include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District.

State statutes authorize the District to invest in obligations of the US Treasury, US Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39.1271, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool. Investments in LAMP at December 31, 2012 totaled \$424,222.

Credit Risk. The District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC).

G. Fixed Assets

The accounting and reporting treatment applied to capital assets associated with a fund are determined by their measurement focus. General capital assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or when historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$1,000.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

|                                   |                |
|-----------------------------------|----------------|
| Buildings                         | 15 to 40 years |
| Improvements, other than building | 5 to 40 years  |
| Machinery and equipment           | 3 to 15 years  |
| Furniture and fixtures            | 3 to 10 years  |

H Long-Term Liabilities

The Creole Nature Trail Scenic Byway District has incurred no long-term liabilities.

I. BAD DEBTS

No reserve for uncollectible receivables had been recorded as of December 31, 2012, as all receivables were considered collectible.

J DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

K NET POSITION FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

L NET POSITION

Net position is displayed in three components.

- a Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

#### M New Accounting Pronouncements

During the fiscal year ended December 31, 2012, the District adopted GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, Items Previously Reported as Assets and Liabilities. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 must be implemented by the District for the year ending December 31, 2013. The effect of implementation on the District's financial statements has not yet been determined.

#### 2. Compensation for Board of Commissioners

The Board of Commissioners received no compensation for the year ended December 31, 2012. The Board members were paid a per-diem amount of \$200 each to attend a conference in August.

#### 3. Cooperative Endeavor Agreement

The Southwest Louisiana Convention and Visitors Bureau (Bureau) has entered into agreements with the Louisiana Department of Transportation and Development (DOTD). The DOTD, with the assistance of the Federal Highway Administration (FHWA), has implemented a Louisiana Scenic Byways Program to improve the Creole Nature Trail. The costs of the projects are a joint participation between the FHWA and the Bureau, with the Bureau contributing the 20% match of the participating cost and the FHWA contributing, through the DOTD, the remaining 80% at the time of authorization.



On December 16, 1999, the Creole Nature Trail Scenic Byway District (District) entered into a cooperative endeavor agreement with the Southwest Louisiana Conventions and Visitors Bureau related to the DOTD agreements. The agreement continues in effect. The District bound itself to the DOTD Agreements to the same extent as if it had been a party thereto and to undertake the projects described in the Agreements. The grants for the projects described in the Agreements were applied for by the Bureau on behalf of the District. The Bureau submits claims to the DOTD for reimbursement of 80% of the project costs and upon receipt of the funds, remits to the District a like amount. The District administers the grant funds, including the local matching funds and reports all disbursements to the Bureau quarterly.

#### 4. Fund Balance

The Creole Nature Trail Scenic Byway District adopted Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. In accordance with GASB 54, the District classifies governmental fund balances as follows:

Non-spendable -

includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted -

includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained or due to constitutional provisions or enabling legislation.

Committed -

includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (the Board of Commissioners) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment.

Assigned -

includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Director.

Unassigned -

includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made

The District currently does not have any amounts designated as non-spendable, restricted, committed, or assigned.

The District does not have a formal minimum fund balance policy.

5. Subsequent Events

Subsequent events have been evaluated through June 27, 2013, the date the financial statements were available to be issued.

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2011

See Report of Independent Accountants

Required supplementary information includes financial information and disclosures that are required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Budgetary comparison schedules - Special Revenue Fund

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION  
GOVERNMENTAL FUND TYPES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL REVENUE

Year Ended December 31, 2012

See Independent Accountant's Review Report

|   | <u>Budgeted Amounts</u> |              |               | <u>Favorable</u>     |
|---|-------------------------|--------------|---------------|----------------------|
|   | <u>Original</u>         | <u>Final</u> | <u>Actual</u> | <u>(Unfavorable)</u> |
| <b>Revenues</b>                                       |                         |              |               |                      |
| Southwest Louisiana Convention<br>and Visitors Bureau | \$ -                    | \$ 250,000   | \$ 250,008    | \$ 8                 |
| Interest, dividends                                   | 200                     | 700          | 662           | (38)                 |
| Intergovernmental                                     | 70,048                  | 66,019       | 62,860        | (3,159)              |
| Total revenues  | 70,248                  | 316,719      | 313,530       | (3,189)              |
| <b>Expenditures</b>                                   |                         |              |               |                      |
| Rita Recovery Phase II                                | 2,460                   | 4,602        | 2,419         | 2,183                |
| Hurricane center                                      | 10,983                  | 10,983       | 10,956        | 27                   |
| Action plan   | 5,304                   | 5,304        | 5,159         | 145                  |
| Seed grant II   | 11,916                  | 6,575        | 2,119         | 4,456                |
| Seed grant III  | 1,200                   | 5,700        | 6,749         | (1,049)              |
| Seed Grant IV   | 4,500                   | 4,163        | 4,164         | (1)                  |
| Interpretive kiosks                                   | 54,180                  | 54,180       | 53,559        | 621                  |
| Travel  | 7,500                   | 7,500        | 5,763         | 1,737                |
| Professional fees                                     | 7,000                   | 46,781       | 46,808        | (27)                 |
| Miscellaneous   | 30,775                  | 22,440       | 32,962        | (10,522)             |
| Newsletter  | 8,000                   | 2,000        | 1,645         | 355                  |
| Total expenditures                                    | 143,818                 | 170,228      | 172,303       | (2,075)              |
| Excess of revenues over<br>expenditures               | (73,570)                | 146,491      | 141,227       | (5,264)              |
| Fund balances - beginning                             | 335,972                 | 335,972      | 335,972       | -                    |
| Fund balances - ending                                | \$ 262,402              | \$ 482,463   | \$ 477,199    | \$ (5,264)           |

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS  
Year Ended December 31, 2012

12-01 Segregation of Duties

|                                     |  |
|-------------------------------------|--|
| Condition:                          | Because of the District's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.  |
| Criteria:                           | An effective internal control is dependent to a great extent on segregation of responsibilities for initiating, evaluating and approving transactions from those for detail accounting and other related functions.                                      |
| Effect                              | When internal control is limited by a lack of segregation of duties there is always a possibility that transactions could be processed that would negatively affect the entity   |
| Cause                               | Because of the entity's size, it is not feasible to segregate duties to achieve effective internal accounting control.   |
| Recommendation:                     | To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures   |
| Management's corrective action plan | We have considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties. Management has attempted to mitigate this weakness by its supervision and review procedures |

CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2012

11-01 Segregation of Duties

Condition

Because of the District's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Recommendation:

To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Management's corrective action plan: We have considered this weakness and determined that it would not be cost effective to employ sufficient personnel to obtain adequate segregation of duties. Management has attempted to mitigate this weakness by its supervision and review procedures.

**CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT**

**AGREED UPON PROCEDURES REPORT**

**SEPTEMBER 24, 2013**

**CREOLE NATURE TRAIL SCENIC BYWAY DISTRICT**  
**Lake Charles, Louisiana**  
**September 24, 2013**

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# McELROY, QUIRK & BURCH

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02122 000 AUP 12/31/12 1100 001 agreed upon procedures report

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CVA Certified Valuation Analyst  
CFP Certified Financial Planner

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners  
Creole Nature Trail Scenic Byway District  
Lake Charles, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Creole Nature Trail Scenic Byway District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying Louisiana Attestation Questionnaire. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R S 38 2211-2296 (the public bid law) or R S 39:1551-39 1775 (the state procurement code), whichever is applicable.

The District did not make expenditures for material and supplies exceeding \$30,000. The District also did not make any public works expenditures exceeding \$150,000.

*Code of Ethics for Public Officials and Public Employees*

- 2 Obtain from management a list of board members as defined by R S 42 1101-1124 (the code of ethics), and obtain ethics representation from each member

We received ethics representations from all board members

*Budgeting*

- 3 Obtain a copy of the legally adopted budget and all amendments

Management provided us with a copy of the original budget and all amendments

- 4 Trace the budget adoption and amendments to the minute book

We traced the adoption of the original budget to the minutes of a meeting held on December 13, 2011, which indicated that the budget had been adopted by the commissioners of the District. We traced the adoption of the amended budget to the minutes of the meetings for March 27, 2013 and September 11, 2013, which indicated that the amendments had been adopted by the commissioners

- 5 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%

*Accounting and Reporting*

- 6 Selected all disbursements made during the period under examination and

We examined supporting documentation for all disbursements and found that payments were for the proper amounts and made to the correct payees

*Meetings*

- 7 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R S 42 11 through 42 28 (the open meetings law)

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that such documents were properly posted, we could find no evidence as there were no meetings scheduled during the agreed upon procedures engagement, supporting such assertion other than an unmarked copy of the notices and agendas. The District also publishes notices for the meetings on the Louisiana Boards and Commissions website. We viewed the meeting notices on the website.

*Prior Comments and Recommendations*

Our prior year report, dated June 29, 2012, did not include any comments or unresolved matters.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Ms. Elroy Gunk & Bunch*

Lake Charles, Louisiana  
September 24, 2013

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

Dear Chief Executive Officer:

Attached is the *Louisiana Attestation Questionnaire* that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana government agencies. Upon completion, the questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected governmental officials should sign the document, in lieu of such a resolution.

The completed attestation questionnaire and a copy of the adoption instrument, if appropriate, must be given to the Independent certified public accountant at the beginning of the engagement. The CPA will, during the course of his engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to my office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

March 26, 2013 (Date Transmitted)

Creole Nature Trail Scenic Byway District  
P O Box 1912  
Lake Charles, LA 70602

McElroy, Quirk & Burch, APC (Auditors)

In connection with your review of our financial statements as of December 31, 2012 and for the year then ended December 31, 2012, and as required by Louisiana Revised Statute 24.513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of March 2, 2011.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.  
Yes ☒ No ☐

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.  
Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.  
Yes ☒ No ☐

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.  
Yes ☒ No ☐

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.  
Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.  
Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513  
Yes ☒ No ☐

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R S 42 1 through 42:13

Yes ☒ No ☐

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S 39 1410 60-1410 65

Yes ☒ No ☐

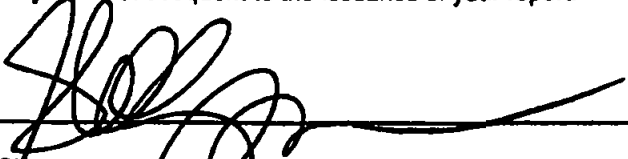
**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S 14 138, and AG opinion 79-729.


Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

  
\_\_\_\_\_  
Shelley Johnson, Secretary/Treasurer

Secretary 3-26-13 Date

  
\_\_\_\_\_  
Monte M Hurley, Chairman

President 3-26-13 Date